



PSC NEWS

Missouri Public Service Commission

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FOR IMMEDIATE RELEASE

MARCH 26, 2010

PSC APPROVES AGREEMENTS REACHED IN AQUA MISSOURI, INC. RATE CASES *Agreements call for two year rate moratorium*

JEFFERSON CITY---The Missouri Public Service Commission has approved agreements between Aqua Missouri, Inc. and the Public Service Commission staff which authorize the company to increase annual water and sewer operating revenues for customers served by Aqua Development Company, Aqua RU, Inc. and Aqua Missouri, Inc. (CU), (d/b/a Aqua Missouri, Inc.). The new rates will take effect for service on and after April 1, 2010.

While the Office of the Public Counsel did not join in the agreements, the state agency which represents the general public before the PSC stated it did not oppose the agreements.

Aqua Missouri, Inc. filed water and sewer rate cases with the Public Service Commission on July 15, 2009. Aqua Missouri, Inc. sought to increase annual water operating revenues by approximately \$228,300 and annual sewer operating revenues by approximately \$338,600.

The PSC staff conducted a thorough audit of the books and records of Aqua Missouri, Inc. Based upon that audit, the PSC staff and Aqua Missouri, Inc. reached agreements reducing the company's rate requests. The PSC staff audit and rate increase recommendations were based on prudent expenses, least cost analysis and appropriate infrastructure investments.

Between February 10 and 22, 2010, the Public Service Commission held six local public hearings to receive customer comment on the rate requests and any service related issues.

The PSC staff followed up with those customers who raised service quality issues at the local public hearings. A PSC staff investigation into those issues found no violations of any statute, tariff provision or PSC regulation. Staff's report indicated that Aqua Missouri, Inc. is engaged in some remedial measures to improve the quality of its services. The PSC staff plans additional follow up with the company.

"The Commission has extensively reviewed Aqua's applications, the disposition agreements, the transcripts from the public hearings, Staff's investigation report and the recording of the On-the-Record Proceeding," said the Commission's order. "The Commission finds the disposition agreements and their conditions strike the appropriate balance in providing sufficient funding for Aqua Missouri to provide safe and adequate service. The Commission finds the Company/Staff Agreements reasonable and will approve them."

Under the agreements approved by the Commission, annual water operating revenues will increase by approximately \$145,200 and annual sewer operating revenues will increase by approximately \$204,780. The agreement also calls for a two year rate moratorium on future rate increases.

Aqua Missouri, Inc. provides service to nearly 3,800 customers in Cole, Callaway, Pettis, Greene, Benton, Taney, Christian, Morgan, Stone and Barry counties.

The current monthly residential customer bill and the monthly bill for that same customer under agreements approved by the Commission appear on the following page.

(more)

<u>Water Rates</u>			
<u>Service Area</u>	<u>Usage</u>	<u>Current Monthly Bill</u>	<u>Monthly Bill Under Agreements Approved</u>
Spring Valley	4,000 gallons	\$45.31	\$53.66
Lakewood Manor	4,000 gallons	\$52.87	\$55.14
LTA	4,000 gallons	\$32.50	\$40.20
Ozark Mountain	4,000 gallons	\$33.77	\$45.03
Rankin Acres	Unmetered	\$50.08	\$50.08
Rankin Acres	4,000 gallons	\$33.16	\$33.16
Riverside Estates	4,000 gallons	\$21.20	\$28.86
White Branch	Flat Rate	\$35.19	\$53.00
Lake Carmel	4,000 gallons	\$15.20	\$17.19
Maplewood	4,000 gallons	\$15.20	\$17.19

<u>Sewer Rates</u>			
Jefferson City	Flat Rate	\$44.79	\$53.22
Lake Carmel	Flat Rate	\$44.79	\$53.22
Maplewood	4,000 gallons	\$15.67	\$18.05
Ozark Meadows	4,000 gallons	\$47.56	\$60.19